

# T<sup>3</sup>: Trustee Training Tips

Number 5 Volume 4 Kentucky Department for Libraries & Archives Winter 2004

## SANTA CLAUS OR SUGAR DADDY

**B**enjamin Franklin said only two things in life are certain: death and taxes. But how would you like to cheat both a little? You can do that with planned giving to *your* public library—and create an ongoing memorial to yourself or loved one at the same time.

You care about quality library service in your community or you wouldn't be serving on the library board now, or be a member of your Friends chapter, or asking others to give to the library. That commitment can be further expressed in providing financial security for your library well into the future with planned giving through several ways. All these involve legal stipulations, which vary from state to state, and are best left in the hands of your attorney, but here is a quick overview of some popular options available to you.

**Bequests** are the most utilized. This simply means naming your library as a beneficiary of your will for a specific amount, for a percentage of your estate, or as a contingent beneficiary. While it may be tempting to tie strings to the gift, we urge you to include the language "to be used for its general purposes." This allows the library to fix a badly needed roof leak rather than purchase more genealogy books if that is its greatest need at the moment.

**Retirement plans** and **life insurance policies** are another way to give into the future. You may also make your library the beneficiary of an IRA, Keogh, 401(k), 403(b), or other qualified retirement plan, enabling you to avoid substantial income and estate taxes.

**Gifts of real estate** may benefit all parties. Often the value of a residence, vacation home, farm, or vacant lot has appreciated so greatly that its sale would incur a sizable taxable gain. By making a gift of that real estate, you would avoid capital gains while receiving a tax deduction for the full, fair market value of your property. Gifts of real estate may be made outright or through a life income plan.

**Gifts of appreciated securities**, such as stocks or bonds, defined as those that have been held for at least one year, are tax deductible for their fair market value up to 30% of your adjusted gross income. Any excess unused deductions may be carried over for a period of 5 years and you can avoid capital gains tax on their transfer.

**Life income plans**, which allow you to receive income for the rest of your life while providing tax shelters, are yet another means of giving to your library. Popular ones are **Charitable Gift Annuities** and **Charitable Remainder Trusts**.

*Caveat:* While giving is good, don't do so without the advice of your financial and legal advisors.

## BUILDING A BOARD TEAM

Library trustees come to the board with the best of intentions, but that may not always be enough. Being on an effective board is a learned skill that needs constant work. You have two major challenges: (1) to do the task of governing the library efficiently; and (2) to become a part of a team that functions at optimum level.

In earlier editions of this publication we have covered many of the basics of governing the library. Now we shall focus briefly on your role as part of the board team, understanding that a board that works well together is necessary to govern the library well.

As you gain experience as a trustee, you will learn the facts about the library, but how well do you know each other? What activities are planned that will allow you to get to know each other better? And don't jump to the conclusion, should you live in a small town, that you already know each other as well as you think you do!

Can you answer these basic questions about your colleagues:

- Where do they live?
- What are their occupations?
- Do they have families
- What are their real interests and concerns?
- What motivates them to serve on this board?

Another part of the equation is the library director. She is also a part of the team. There must be a very high level of trust between those who govern and the person they have chosen to manage. Can you answer these questions about her? Do you know why she chose this profession?

Do you know which person to go to for answers to your questions? Getting to know each other will help you determine which

fellow board member to ask for different information needs. Don't forget the library director as part of the team, or your regional consultant either, as questions arise. And be assured, no new trustees—even those who have served on other kinds of boards—should be without a lot of questions. Learning this job is a never-ending task. Even the “pros” need guidance now and then.

Ongoing development activities should be a part of your annual agenda. Spend a little time at those board meetings that aren't overloaded with budgets and director evaluations to provide short learning activities for the board members. Your regional consultant can either provide these or help you plan them. Invite guest speakers to address the board on topics you agree you need to know more about—investment opportunities, for example.

Attend regional trustee workshops and statewide Trustee Institutes. Go to state and national conferences if possible. And always make an effort to carpool and spend that travel time getting to know each other and library issues better. Read pertinent literature. Take part in board development opportunities—even board retreats if warranted. There is no such thing as knowing all you need to know.

With all this concern about being a team player, *never* think this means agreeing about every issue that comes before the board. There are five (or more) members to bring five (or more) points of view to each decision. Working together is not about thinking alike; it's about sharing your thoughts freely and openly, convincing others or being convinced by them to a new way of looking at issues.

## WORKING WELL WITH OTHERS

**T**his is the season for goodwill and peace among people of all varieties, so it is fitting that this issue be about working together and team building—especially when the outcome is the betterment of the library.

Although the library strives to have diversity upon its board, and welcomes (or should) varying points of view, each members charge is to form a cohesive team that eventually speaks with one voice. This does not mean giving up your individual opinions and goals, but finding a way to mesh them with the rest of the team. While this may be common sense for playing well with others, it is also a legal stipulation for Kentucky's public library trustees. All authority rests in the board, meeting in public, and with a quorum present. No one trustee has any legal authority to make decisions or speak on behalf of the board.

Your loyalty must be to the board as a whole and to the good of the library rather than any special interest. Examples of such interests might include favoring your local branch; favoring a specific library service such as genealogy or outreach; or voting against the higher rate allowed by HB-44 because you have political ambitions or a high property assessment yourself. If you cannot accept this loyalty to the library, you should consider removing yourself from its board. After all, you were appointed to the library board to help make the library the best it could be.

There may be other, non-voting members of your board team. Definitely your library director falls into this category. It is unwise to make decisions without his input, as he knows best how the day to day workings of the library will impact or be impacted by your decisions. Others may include your regional consultant, advisory board members, or representatives of your Friends chapter.

Here are some ways to help build a team spirit amongst your board members:

- ★ Listen to your fellow trustees carefully.
- ★ Explain your position on issues clearly.
- ★ Make friends with your colleagues. Get to know them on a level other than the official board meeting.
- ★ Tell the others openly when you agree with them. Being vocal only when you disagree makes you appear to be just a naysayer rather than someone with a legitimate concern.
- ★ Don't let disagreement on one issue carry over to the next. Agreement or disagreement should stand on the merits of each issue, not on personality conflicts.
- ★ Accept, even embrace, the fact there will be split votes on the board. If you are on the minority side and have advocated well for your point of view, then accept the majority decision and support the board's action.
- ★ Leave your disagreements at the board table. When the meeting is over, the debating is over until the next meeting.

*T<sup>3</sup>:Trustee Training Tips* is published quarterly by the Field Services Division of the Kentucky Department for Libraries and Archives. Correspondence should be addressed to the editor, Nelda Moore, at Lincoln Trail Regional Office, 201 West Dixie Avenue, Suite One, Elizabethtown 42701-1533. Phone 270.766.5222; Fax 270.766.5273; e-mail: nelda.moore@ky.gov.

*Serving Kentucky's Need to Know*



An agency of the Education Cabinet

## **LIBRARY LETTERS**

*Dear Marian Librarian,  
We qualify for gifts that are tax deductible to the  
giver do we not? Our director says we are not a  
501.c.3 so how do we assure potential donors  
their gifts are deductible?*

*-- Troubled Trustee*

Dear Troubled,

Your director is correct; you are not a 501.c.3., that is the IRS code for charitable nonprofits. But gifts to the library are tax deductible as both taxing districts and libraries created by their respective local governments are exempt as instrumentalities of government. What throws most people is the idea of making a donation to government! Libraries can obtain a letter declaring their status from the IRS. Details can be obtained from your regional consultant.

## **HOW MUCH DO YOU KNOW?**

The following quiz will let you test your knowledge on the topics covered in this publication. The answers are under "Publications" on KDLA's web page <[www.kdla.ky.gov](http://www.kdla.ky.gov)>.

1. What are the advantages of planned giving to my library? How do I encourage others to do it?
2. What wording in your bequest will benefit the library the most?
3. Why is teamwork important to the library board?
4. True or False: You must agree with the final decisions of the board.
5. What is loyalty to the library board?

**Kentucky Department for Libraries  
and Archives  
201 West Dixie Avenue, Suite One  
Elizabethtown KY 42701-1533**

**ADDRESS CORRECTION REQUESTED  
PLEASE FORWARD**